

The background features a hand holding a green printed circuit board (PCB) with various components. Overlaid on this is a semi-transparent, glowing blue and purple circuit board pattern. The text is centered over the image.

Cicor Technologies Ltd.

Baader Investment Conference 2024

September 23, 2024

Alexander Hagemann, CEO

Michael Götti, VP Corporate Marketing & Communications

September 23, 2024

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Alexander Hagemann, CEO

The Cicor Group

The Cicor Group

Fastest growing manufacturer of advanced electronics in Europe

2024 Sales guidance

CHF 470-510 million

Organic growth ahead of Electronic Manufacturing market

2024 EBITDA guidance

CHF 50-60 million

Mid-Term 10-13% margin. Top profitability vs peer group

HY 2024 Earnings per share

CHF 2.69

Fully diluted after MCB conversion, + CHF 0.95 to HY 2023

HY 2024 Free Cash Flow

CHF 21.1 million

Before acquisitions, + 303% to HY 2023

25% Sales CAGR

HY 2021 to 2024 as result of organic growth and 7 acquisitions

3,250

Employees worldwide, of which 10% with engineering degree (May 2024)



Electronification of everything

Turning ideas into advanced electronic solutions



Medical



24% of sales in HY 2024

Cicor helps improve global healthcare by the development and manufacture of applications such as hearing aids, surgical robots or smart drug delivery systems



Industrial



33% of sales in HY 2024

Cicor is at the forefront of technology, driving miniaturization and automation in areas such as robotics, sensors, control systems and semi-conductor equipment



Aerospace & Defence (A&D)

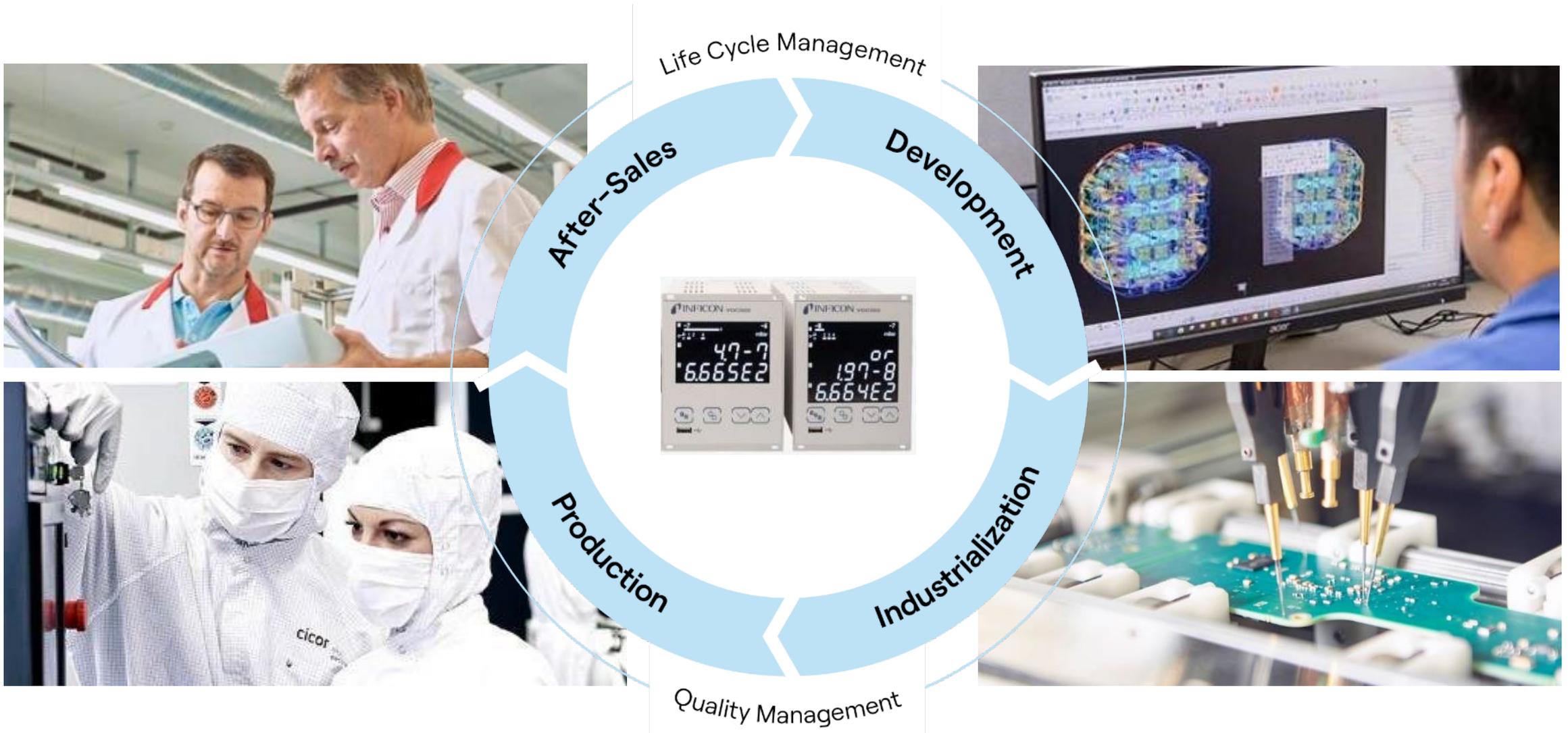


24% of sales in HY 2024

Cicor ensures safety, reliability and communication in aircrafts, satellites and defense systems at land, sea, in the skies and beyond

Sticky customer relationships

Strategic and long-lasting partnerships across whole life cycle



Building of leading platforms in attractive markets



Advancing healthcare through technology

- Development and manufacturing partner for medical devices supporting people to live healthier lives
- True one-stop shop from device engineering to critical component development/manufacturing and assembly
- Enabling advanced healthcare through miniaturization, bio-compatibility, printed electronics
- Serving high-growth verticals such as smart drug delivery, robot surgery, neurostimulation



CAGR 2021-2023

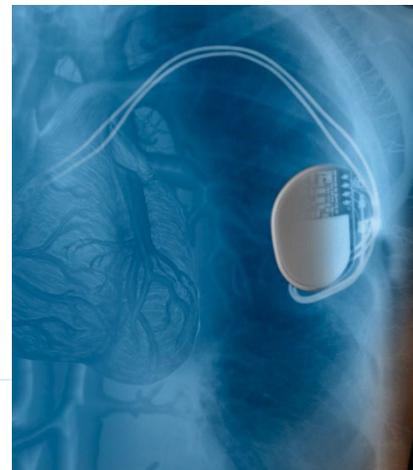
31%

Share of sales H1/2024

24%

Market position Europe

4



Building of leading platforms in attractive markets

Driving automation and miniaturisation in industry



- Development and manufacturing partner for high-tech industrial electronic solutions
- Serving high-growth verticals such as equipment for semiconductor manufacturing, smart building technologies, sensors and test/measurement solutions
- Focus on serving regional customers in DACH region and UK – striving for regional market leadership



CAGR 2021-2023

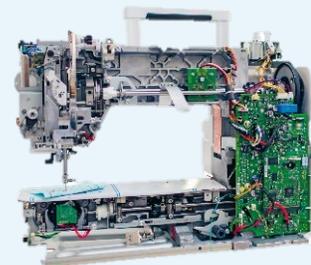
22%

Share of sales H1/2024

33%

Market position Europe

ca. 10



Building of leading platforms in attractive markets

European market leader for A&D EMS



- Long-standing supplier of design and manufacturing services to 30 leading A&D integrators in Europe
- True one-stop shop from systems engineering, critical components, assembly, on-site support and training
- Acquisition of Axis Electronics (completed 11/2021), STS Defence (01/2024) and TT Electronics' IoT division (03/2024) turned Cicor into the European leader for A&D electronics

CAGR 2021-2023

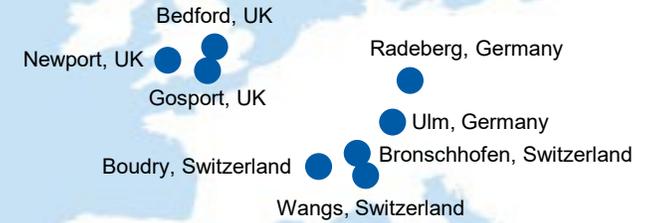
66%

Share of sales H1/2024

24%

Market position Europe

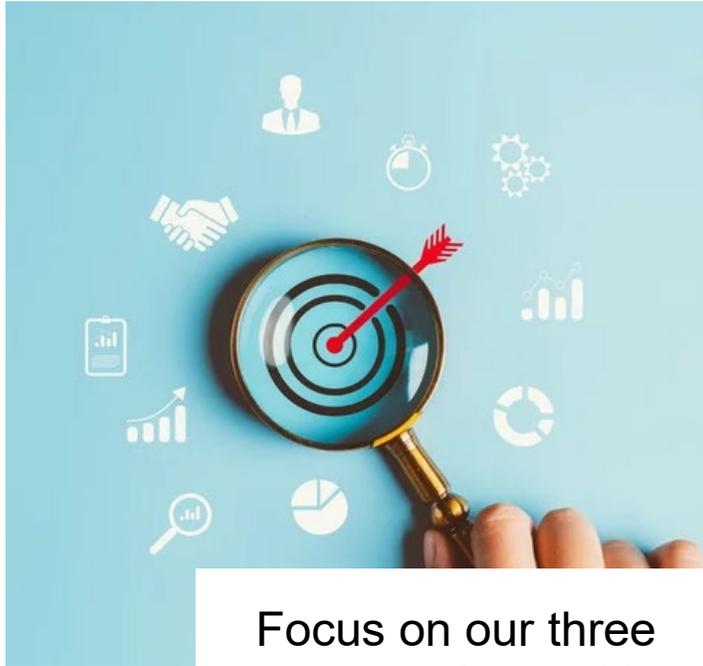
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Alexander Hagemann, CEO

Strategy Update

A strong platform for organic growth and industry consolidation



Focus on our three **core markets** with highly profitable high-mix/low-volume businesses



Strategic customer relationships through excellent solution finding, differentiated technology portfolio and flawless execution



Active consolidation through **M&A**

Cicor is well positioned to benefit from megatrends

Capacity to 'own the trend'

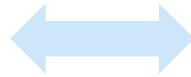
Megatrends accelerate EMS market growth to CAGR of 6.8%



Cicor manufacturing infrastructure supports organic growth to CHF 700 million

On the safe side of the economic cycle

Industrial recession and inventory reduction in 2024



Cicor avoids CCC (consumer, computer, communication) and automotive markets

Global decoupling – Cicor already there

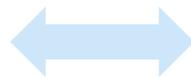
Manufacturing partially moves out of China and closer to end markets



Strong in Southeast Asia, Romania, emerging in Tunisia as new nearshoring location

Automation everywhere

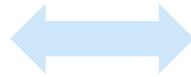
Labor shortage in Europe and parts of Asia due to demographic shift



Cicor invests into automation and digitization. New engineering centers in Romania and Vietnam

Dry powder

Industry consolidation has just begun, driven by customer requirements, succession, outsourcing strategies



Cicor is a driver of industry consolidation

The EMS market is a highly fragmented and growing market, pre-destined for consolidation

Fragmented market ✓

1,700 EMS

In Europe, consolidation has just begun:
Succession, carve-outs

Cicor #10

Market position (proforma 2024)

Source: Weiss Engineering (in4ma), 2024

Growing market ✓

€ 25 billion

Adressed market (2023),
44% of total European
EMS market

6.8% ↗

Forecasted market
CAGR until 2030

Source: Weiss Engineering (in4ma), 2023, 2024

Customer loyalty ✓



- Strong entry barriers in high-mix low-volume business
- Acquiring customers through M&A, extending share of wallet

Economies of scale ✓

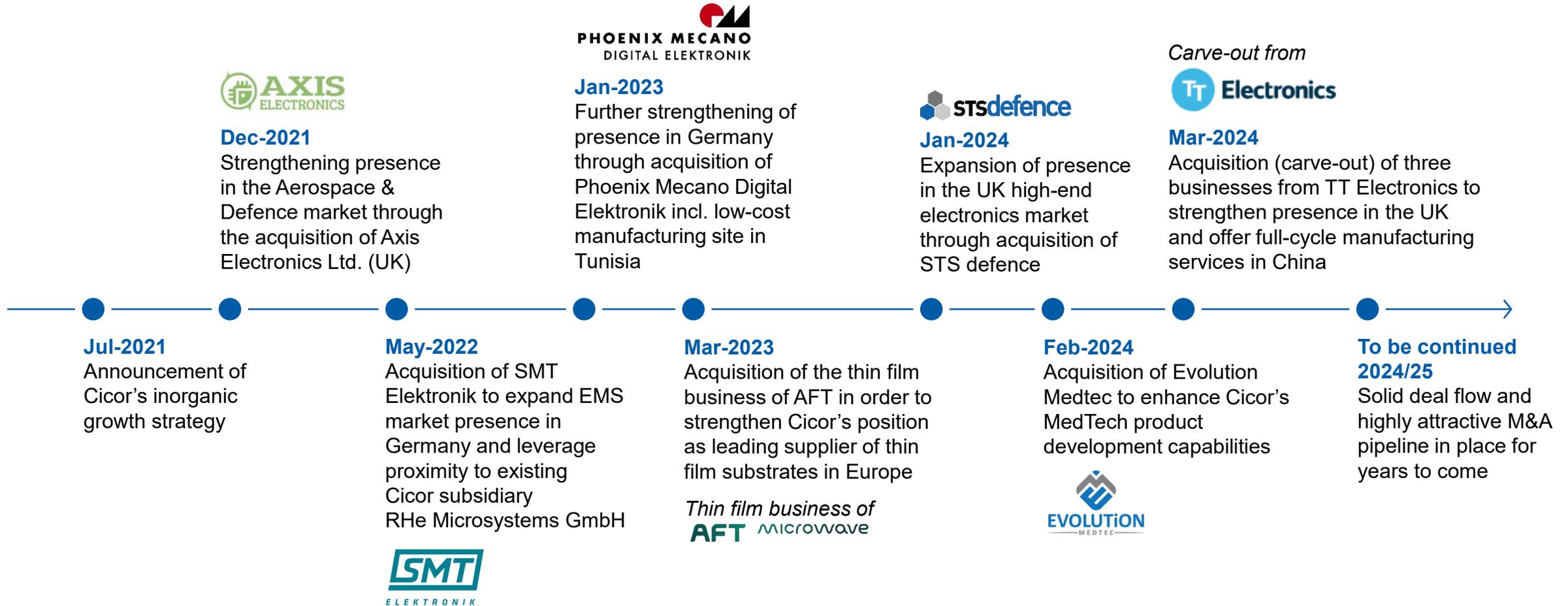


- Global footprint
- Business excellence
- Purchasing power
- Digitization

Long-term market development

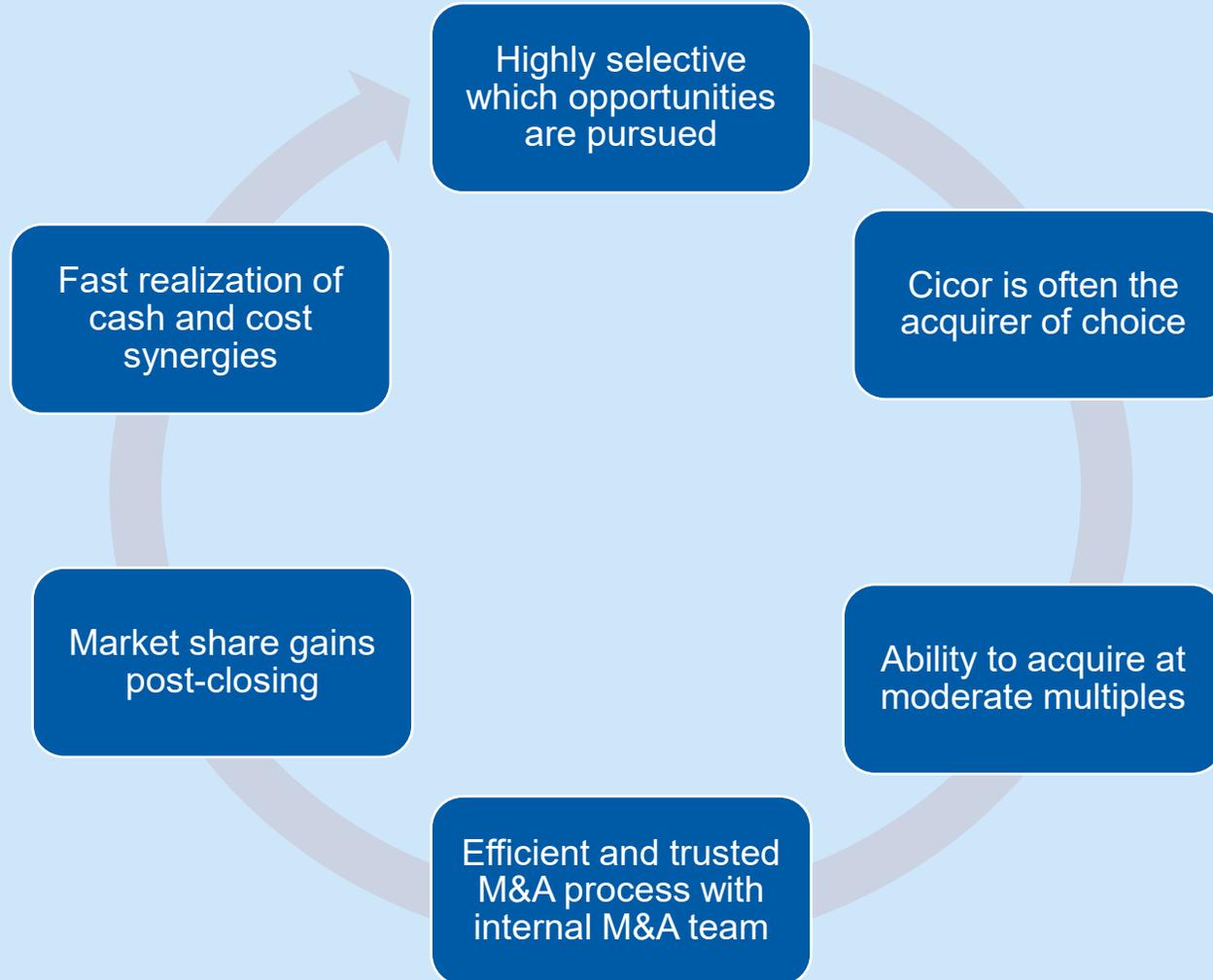
A consolidated market with significantly increased profitability of the leading EMS players

Cicor follows a value-accretive buy-and-build strategy since 2021



Note: Dates in timeline refer for acquisitions to month as of when companies were/will be included in Cicor consolidation scope

Proven path to value creation



M&A supports strategy, making Cicor a stronger company



Tech & engineering provider of sustainment, support and modernization solutions for mission-critical electronics and communications systems

Expand Cicor's platform for the UK market combined with the other announced UK-based acquisitions (i.e., Axis Electronics and two of the three acquired TT Electronics businesses)

Increase Cicor's **capabilities within mission-critical electronics** for the Aerospace and Defence industry



End-to-end engineering services provider, focused on medical and paramedical applications

Enhancing Cicor's **product development capabilities and capacity** in the medical technology sector

Geographic fit: proximity to Cicor's Arad production site and geographic distribution of customers



Biometric monitor

Class III remote control system and control app

Carve-out from



PCBA and box builds for IoT solutions and OEMs in highly regulated markets including full life cycle EMS services and substantial testing capabilities

Improved business continuity and expanded capacity with multiple production facilities in the UK

Platform for Cicor UK to enter into new strategic sectors (Industrial, Medical)

Integration of production site in Dongguan, China, to provide local manufacturing for Cicor customers



Newport (UK)

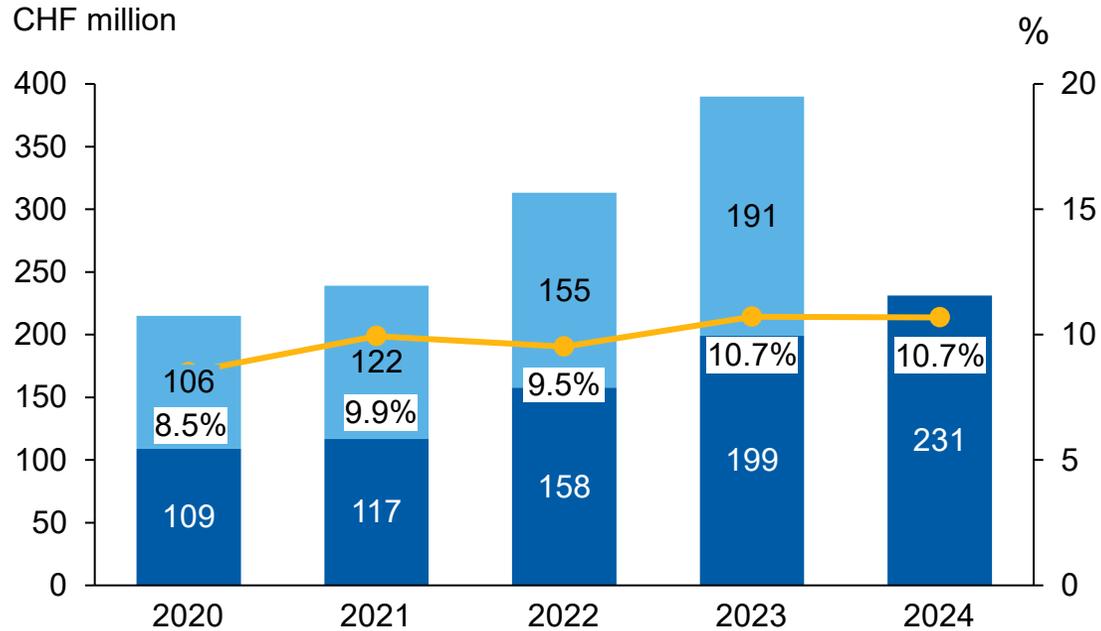
Hartlepool (UK)

Dongguan (China)

Peter Neumann, CFO

Financial Results HY1 2024

Long-term view – Impact of Cicor growth strategy



Group in TCHF	HY 2023	HY 2024	%YoY
Sales	199'152	231'297	16.1%
EBITDA	21'336	24'729	15.9%
EBITDA margin	10.7%	10.7%	+/- 0 bps

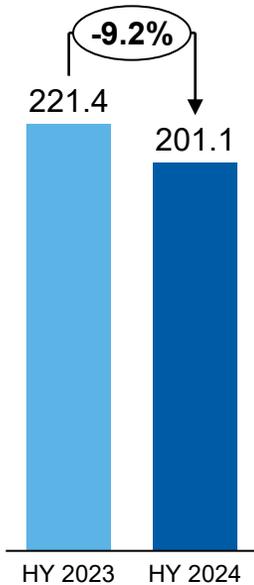
■ Sales HY2
 ■ Sales HY1
 —●— EBITDA margin HY1 in %

- Cicor achieves best half-year results ever in terms of Sales and EBITDA, demonstrating the success of its growth strategy
- Strong sales contribution from newly acquired companies
- Organic sales declined by -4.4% due to weak demand caused by economic conditions in the industrial market
- Strong average sales growth over four years (+21.1%) driven by M&A activity (+15.5%) and organic growth (+7.3%), partly offset by unfavorable currency development (-1.6%)

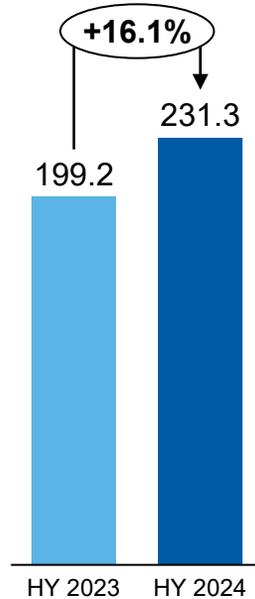
Financial achievements Half-Year 2024

CHF million

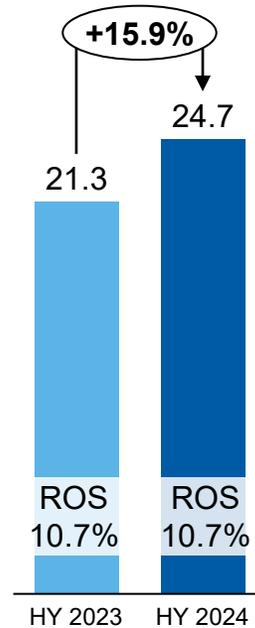
Orders received



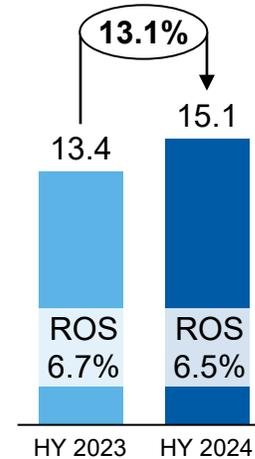
Net sales



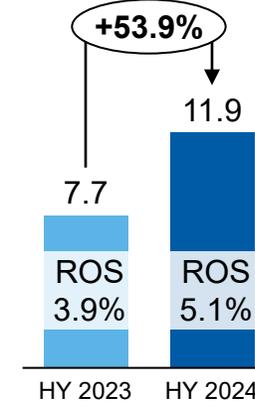
EBITDA



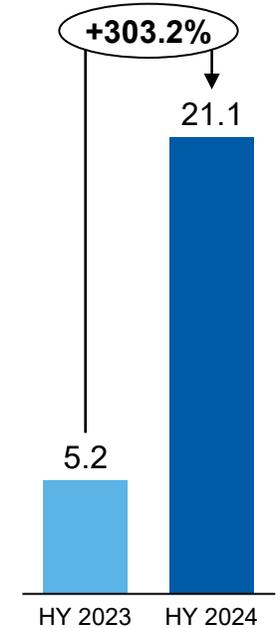
EBIT



Net profit



FCF
excl. Acquisition



Consolidated Income Statement

CHF 1000	HY 2024		HY 2023		%YoY
	in %		in %		
			<i>restated</i>		
Net sales	231'297	100.0	199'152	100.0	16.1
Material expenses	-119'406	-51.6	-109'443	-55.0	9.1
Operating expenses	-87'162	-37.7	-68'373	-34.3	27.5
EBITDA	24'729	10.7	21'336	10.7	15.9
Depreciation	-6'065	-2.6	-5'765	-2.9	5.2
Amortization	-3'548	-1.5	-2'204	-1.1	61.0
EBIT	15'116	6.5	13'366	6.7	13.1
Financial result	311	0.1	-2'599	-1.3	-112.0
Income taxes	-3'541	-1.5	-3'045	-1.5	16.3
Net profit	11'886	5.1	7'722	3.9	53.9

- Record high in Net sales and EBITDA
- EBITDA margin stable at 10.7% despite negative one-time impacts of CHF 1.7 million (0.8% of Net sales) from PPA step-ups ¹⁾
- The financial result includes FX impacts of CHF +2.8 million (previous period: CHF -1.0 million) due to the weakening of the CHF.
- Improvement in tax rate to 23% (previous period: 28%)

¹⁾ accounting standards require that net assets acquired in a business combination be included in the consolidated balance sheet at fair value rather than at book value.

Consolidated Balance Sheet

CHF 1000	Jun 24	in %	Dec 2023	in %
			<i>restated</i>	
Current assets	302'705	72.4	251'896	73.1
Non-current assets	115'288	27.6	92'626	26.9
Total Assets	417'993	100.0	344'522	100.0
Current liabilities	162'552	38.9	114'989	33.4
Non-current liabilities	124'385	29.8	98'044	28.5
Equity	131'056	31.4	131'489	38.2
Total Liabilities and Equity	417'993	100.0	344'522	100.0
Net Debt	79'643		43'484	
Net debt / EBITDA LTM proforma ¹⁾	1.50		0.96	
Equity Ratio	31.4%		38.2%	

- Net debt increased by CHF 36.2 million of which CHF 51.0 million was used for the acquisition of businesses
- Financial leverage of 1.50 in line with strategy and strong FCF generation build a solid foundation for continued in-organic growth
- Solid equity ratio at 31.4%

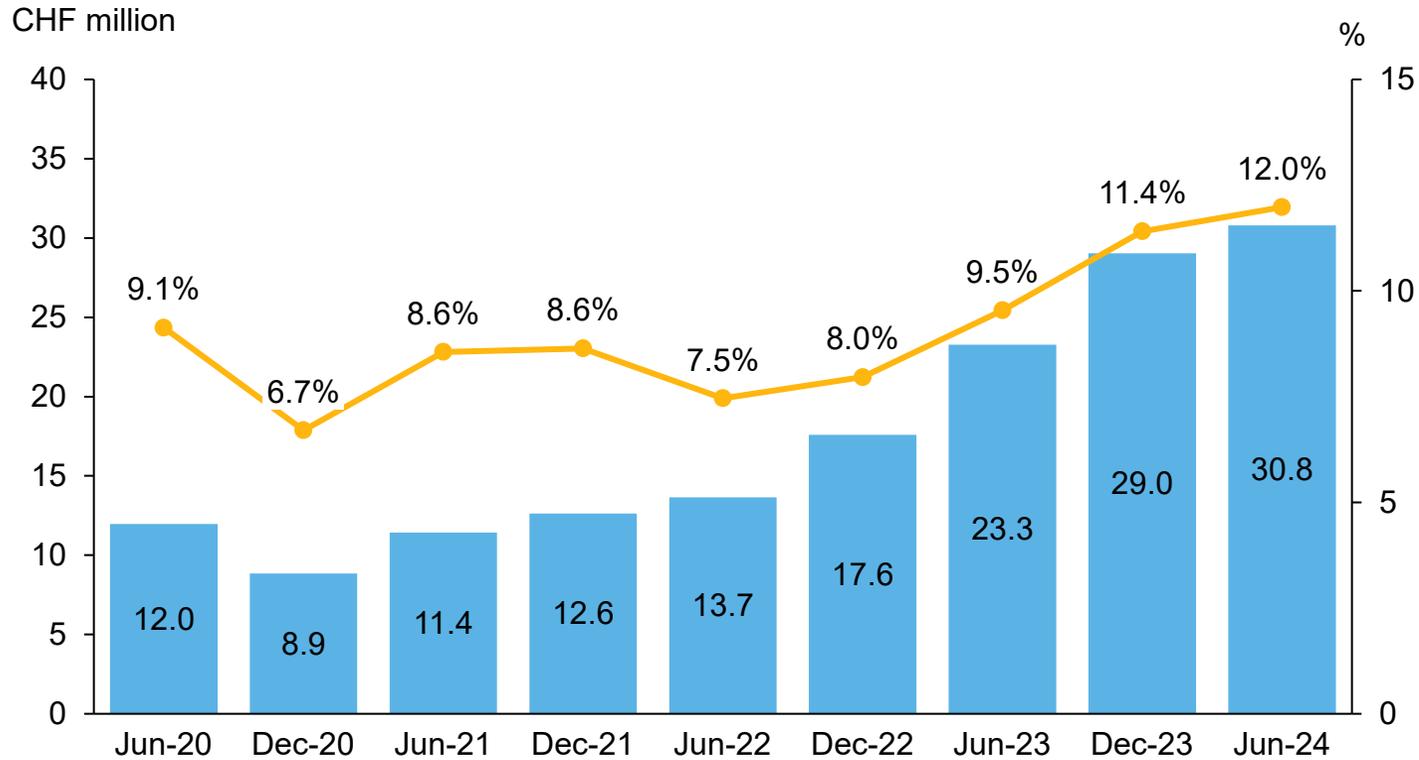
¹⁾ Acquisitions are included for twelve months pro forma as defined in the covenants agreed with the banking syndicate.

Consolidated Cash Flow Statement

CHF 1000	HY 2024	HY 2023
		<i>restated</i>
Net profit	11'886	7'722
Depreciation, amortization and impairment	9'613	7'969
Other non cash items	-1'519	2'597
Changes in working capital	6'549	-7'421
Net cash from operating activities	26'529	10'868
Purchase of Property, plant and equipment (net)	-5'430	-5'433
Purchase of intangible assets	-20	-204
Acquisition of subsidiaries, net of cash acquired	-51'035	-21'985
Net cash used in investing activities	-56'485	-27'622
Free cash flow	-29'956	-16'754
Free cash flow excl. acquisitions	21'079	5'231
Net cash from financing activities	21'358	5'545
Currency translation effects	1'265	-113
Cash flow	-7'333	-11'322

- Strong cash flow from operating activities driven by strong net income performance and proven working capital management
- Moderate level of CAPEX (2.4% of Net sales)
- Acquisitions of subsidiaries partially funded with operating cash flow

Return on Invested Capital

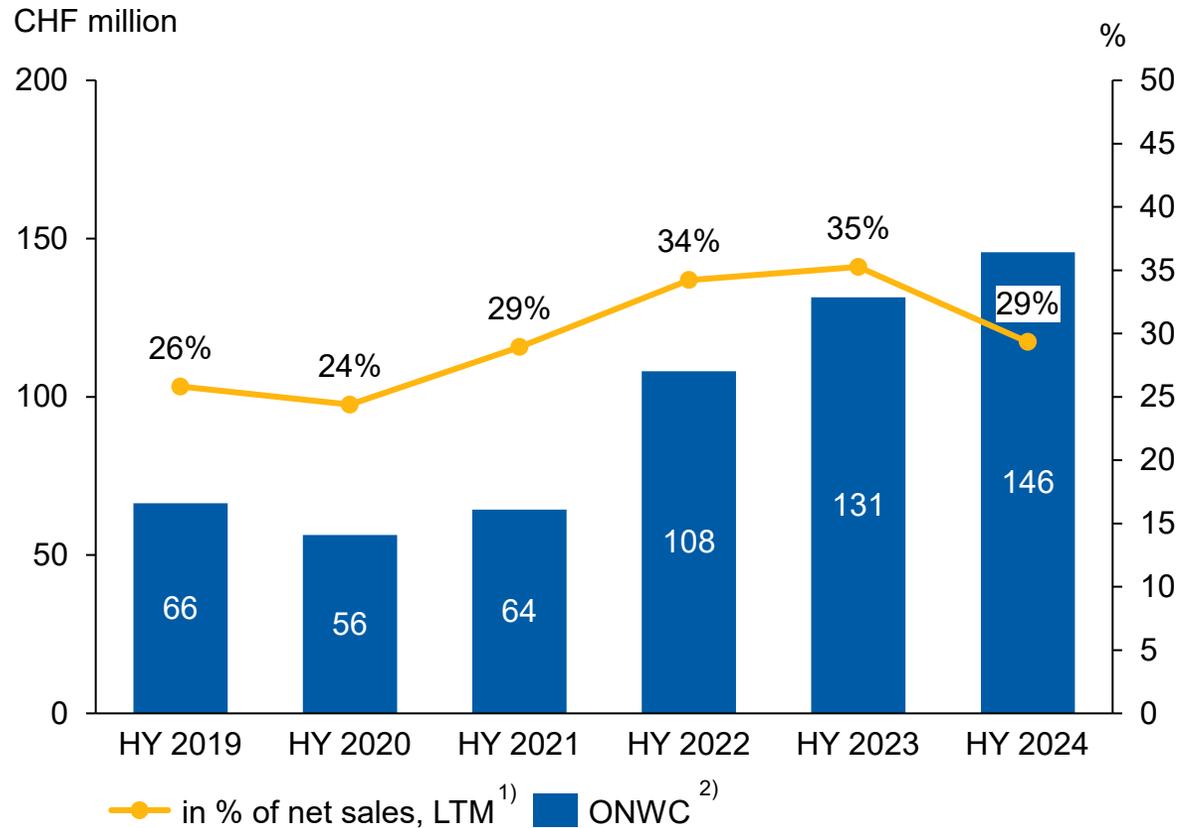


ROIC in % = EBIT / Average Invested Capital (12m rolling)
 Average Net Invested Capital (12m rolling) = Equity plus Financial liabilities

■ 12m rolling EBIT in CHF mio ● ROIC in %

- ROIC above Cicor’s cost of capital
- New ROIC definition in line with the change in accounting for goodwill as disclosed in footnote
- Steady increase in ROIC demonstrates successful execution of Cicor's growth strategy
- Increase in ROIC due to strong EBIT contribution in the last twelve months

Operating Net Working Capital



¹⁾ Acquisitions are included for full twelve months pro-forma

²⁾ Operating NWC (ONWC): Operating inventory + operating accounts receivable – operating trade payables

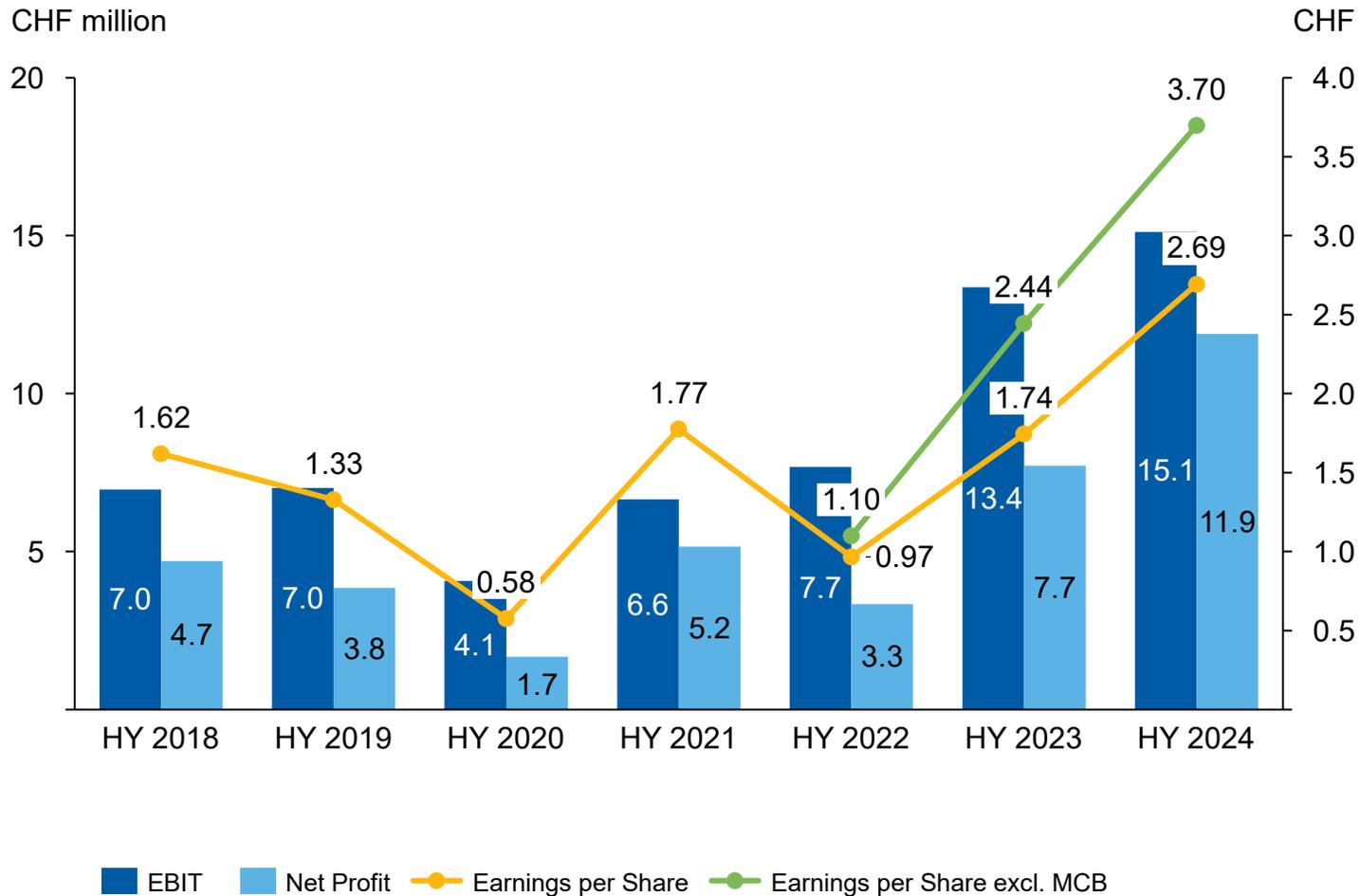
- Absolute increase in ONWC due to acquisitions
- Favorable development in ONWC in % of net sales as a result of improved inventory management (customer funded inventory)

Key Figures per Share

		HY 2024	HY 2023	%YoY
Number of registered shares issued	30.6.	3'478'616	3'411'169	2.0%
Number of Treasury shares	30.6.	-307'929	-251'267	22.6%
Number of outstanding registered shares	30.6.	3'170'687	3'159'902	0.3%
Number of conditional shares for MCN	30.6.	1'199'669	1'267'116	-5.3%
Number of outs. and cond. MCN shares	30.6.	4'370'356	4'427'018	-1.3%
Ø number of outst. and cond. MCN shares	period	4'415'031	4'429'695	-0.3%
Net profit (in CHF thousand)	period	11'886	7'722	53.9%
Earnings per share (in CHF)	period	2.69	1.74	54.4%
Share price (in CHF)	30.6.	52.60	43.00	22.3%
Market capitalization (in CHF thousand)	30.6.	229'881	190'362	20.8%

- Favorable EPS and market capitalization trends demonstrate strong shareholder value creation
- The conversion of the MCN will result in 1'267'116 additional shares until 2027. These shares are considered outstanding for both EPS and market capitalization purposes
- Optional conversion of the MCN started in January 2024 and 67'447 new shares have been created to date with no impact on EPS

Long-term development of Earnings per Share



- Positive development of EPS as a result of improved Net Profit performance
- Dilution on EPS due to the issuance of the Mandatory Convertible Note

Alexander Hagemann, CEO

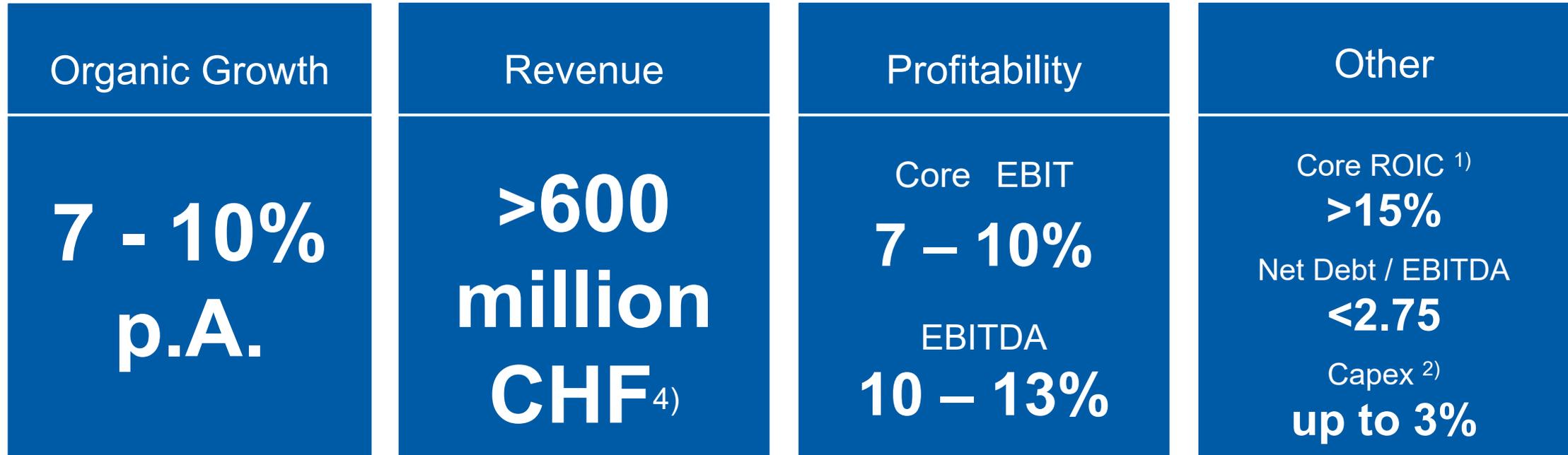
Outlook 2024

Continued growth expected in 2024

- Organic growth in H1 negative but significantly outperforming peers – expect order intake and sales to start recovering in H2
- Very satisfying progress in integrating newly acquired companies
- Unchanged guidance to HY 2024 presentation
(provided there are no significant changes in the economic, geopolitical and financial environment)
 - Expect 2024 sales of CHF 470-510 million
 - Operating result (EBITDA) forecasted at CHF 50-60 million



Fast pace to achieve mid-term goals



- Cicor is well positioned to face economic headwinds due to its strategic markets being more resilient.
- Acquisitions will continue to play an important role as we see attractive opportunities with high returns.
- Dividends to be considered once Cicor delivering sustainable positive net cash flows.³⁾

1) Core ROIC in % = EBIT before amortization of intangible assets from acquisitions (12m rolling) / Average Net Invested Capital (12m rolling)

Average Net Invested Capital (12m rolling) = Equity plus Financial liabilities minus Intangible assets out of business combinations

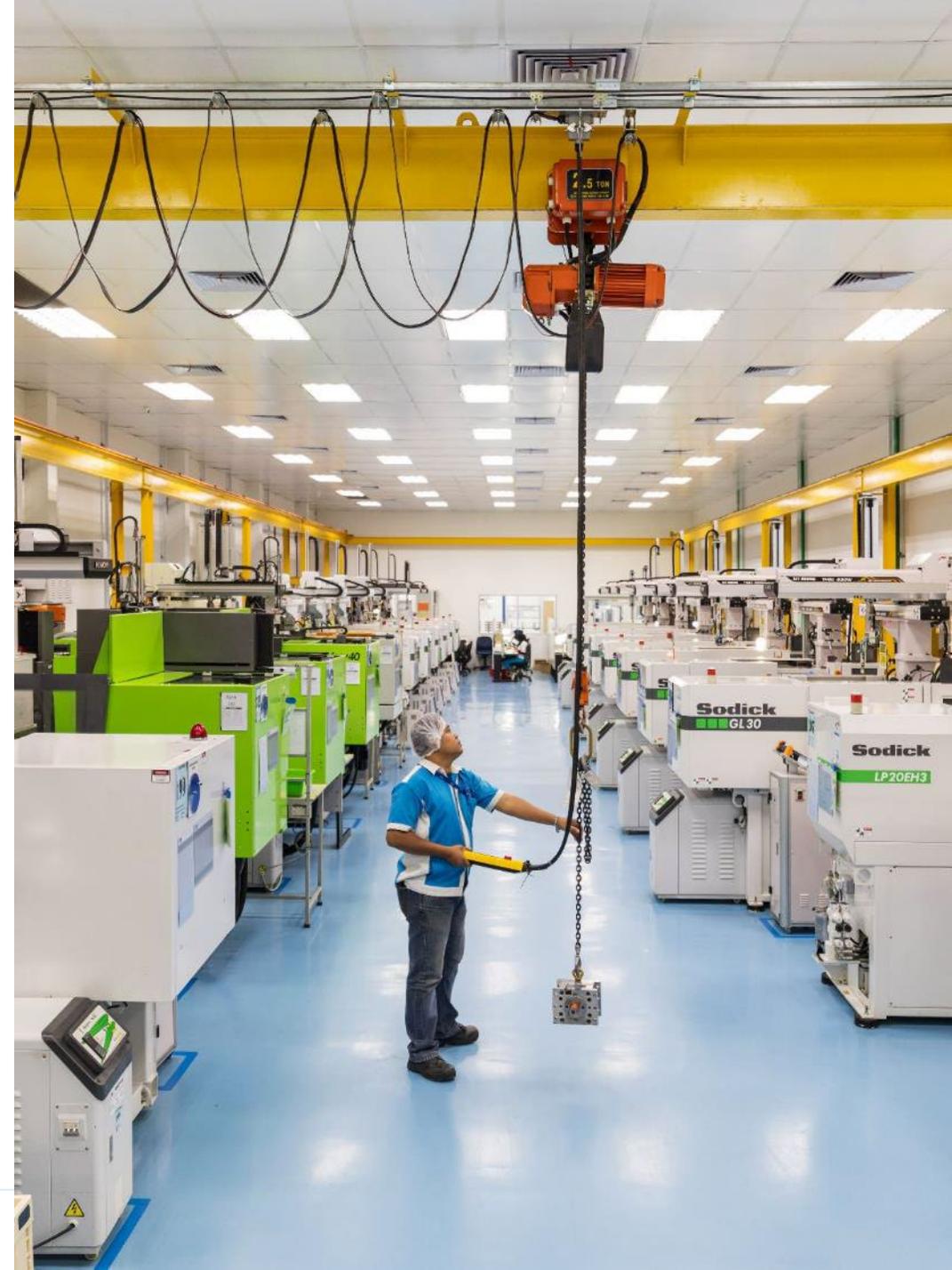
2) CAPEX guidance expressed as % of revenue excluding major footprint expansions

3) Positive operating cash flows higher than negative investment cash flows (incl M&A) and financing cash flows (incl repayments) in at least two consecutive years.

4) The current mid-term guidance includes some moderate level of acquisitions.

Cicor – an asset for your portfolio

- **Market with resilient growth** driven by megatrends of electronification, outsourcing and nearshoring
- **Strategy targeting the most profitable segments of the market:** Industrial, Medical, Aerospace & Defense
- **Value accretive buy and build strategy** with disciplined approach and integration playbook
- **Management with track-record** for successful organic and inorganic growth



Events

Agenda 2024

October 15

Business Update Q3/2024

September 23

Baader Investment Conference 2024 in Munich

November 25 - 27

Deutsches Eigenkapitalforum 2024 in Frankfurt

December 5

Cicor Capital Markets Event 2024 in Zurich



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The latest list of analysts covering Cicor is available on our website: [cicor.com/analysts](https://www.cicor.com/analysts)

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